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C O N F I D E N T I A L SECTION 01 OF 02 SANTIAGO 000015

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AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC
AMEMBASSY BRASILIA PASS TO AMCONSUL RECIFE

E.O. 12958: DECL: 2020/01/15

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SUBJECT: Bachelet Shares Views on South American Leaders with A/S Valenzuela

CLASSIFIED BY: Paul Simons, Ambassador, Department of State, EXEC;
REASON: 1.4(B), (D)

¶1. (C) Summary: President Bachelet emphasized the need to understand the nuances of Latin America's leaders and their countries rather than lumping them into populist and pro-western camps. During a January 12 lunch with A/S Valenzuela, Bachelet was relatively upbeat on Bolivia, reserving particular praise for Foreign Minister Choquehuanca and highlighting the many politically moderate Bolivians. She frankly described the challenges facing Argentina, from its weak institutions and lack of robust democracy to its unsteady president. Bachelet holds Lula in high esteem and feels that Brazil's leading presidential candidates are less impressive than their current leader. End Summary.

¶2. (U) President Bachelet hosted a small lunch for A/S Valenzuela at the La Moneda presidential palace on January 12. Foreign Minister Mariano Fernandez, Under Secretary Angel Flisfisch, Foreign Affairs Director General Roberto Ibarra, Chilean Ambassador to the U.S. Jose Goni, and presidential advisors Francisco Diaz and Marcos Robledo accompanied President Bachelet, while A/S Valenzuela was joined by the Ambassador, DCM, and Poloff (notetaker).

Bolivia: More Moderate than Many Realize

¶3. (C) Consolidating the worldwide sense of hope inspired by President Obama will be the U.S.'s big challenge going forward, President Bachelet told A/S Valenzuela. Some leaders, including Bolivia's Evo Morales get caught in a trap of opposing individual U.S. officials and agencies. Similarly, there are many moderates in Bolivia, she said, implying that some in the U.S. don't realize this. Bachelet cautioned against lumping all of Latin America's populist-leaning leaders together, emphasizing that Morales was very different from Venezuela's Hugo Chavez, and that Morales had been fairly elected. Foreign Minister Fernandez and Deputy Foreign Minister Flisfisch added that Morales' MAS party was likely to do well in April's local elections, further consolidating Morales' power.

¶4. (C) Bachelet had high praise for Bolivian Foreign Minister David Choquehuanca, who she said is more sophisticated than some other Bolivian leaders, and is "serene and capable." Cultural differences are important in understanding Bolivia and its leaders,

Bachelet emphasized, saying that while she had discussed economic growth with Choquehuanca, he has a different mindset and is more focused on quality of life than economic development for its own sake.

Argentina: A Challenged Country with an Unsteady President

15. (C) Bachelet was frank about her view of Argentina, saying that Chile's neighbor has problems with credibility as a country -- its democracy is not robust, and its institutions are not strong. Flisfisch added that Argentina's unusual federal system and Peronist ideology--which can lead to political paranoia--are additional obstacles to political and economic stability. Argentines tend to live from crisis to crisis, the President added, rather than pursuing stable, long-term policies.

16. (C) President Cristina Fernandez de Kirchner is emblematic of Argentina's problems, the Chileans agreed. Kirchner is not anti-U.S. by nature, Bachelet asserted, but is convinced that the 2007 "maletinazo" incident was a plot against her and will not listen to contradictory evidence. (Note: "Maletinazo" refers to an incident in which Venezuelan officials found nearly US \$800,000 in cash the suitcase of a U.S. citizen at a Buenos Aires airport.

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A U.S. assistant attorney alleged that the money was illegal contributions for Kirchner's campaign. End Note.) In general, Kirchner is prone to believing rumors and scurrilous press articles and has a tendency to make unfortunate public comments, Bachelet noted, recalling Kirchner's negative comments after A/S Valenzuela's recent trip to that country.

17. (C) President Bachelet highlighted that Chile had achieved a very positive relationship with Argentina despite the challenging political situation there and Kirchner's shortcomings. Chile and Argentina have a number of bilateral agreements in place and during Kirchner's October visit to Santiago the two presidents shared the now-famous "Maipu hug" after recalling the historic friendship and heroism of both countries.

Brazil: Presidential Candidates Can't Hold a Candle to Lula

18. (C) Describing Lula as a "political fox," President Bachelet asserted that Brazil does not play a major role in most regional issues, despite press reports that consistently portray the country as an important regional mediator. Bachelet views Brazil as more interested in playing on the world stage on issues including climate change and nuclear non-proliferation. On the other hand, Brazil has consistently been a good ally to Chile, she asserted, describing President Lula as intelligent and charming. Bachelet also offered her opinion of the leading Brazilian presidential candidates, neither of whom she believes share Lula's outstanding qualities. She described opposition candidate Jose Serra as arrogant and Lula's favorite, cabinet chief Dilma Rousseff, as distant and formal.

Chile's Presidential Election: Worries about a Pinera Presidency
and Press Bias

¶9. (C) Turning to Chile's fast-approaching presidential election, Bachelet proffered the widely-held belief that there is general agreement about policy among the leading candidates, and so the candidates' behavior and personalities are more important than policy differences. Nonetheless, she said that she was worried about a potential Pinera presidency, particularly because it would create a tremendous concentration of power (Note: Pinera is a wealthy businessman and a number of his key advisors will likely come from the business community. End Note.)

¶10. (C) Bachelet expressed frustration over the Chilean press' sensationalism and anti-Concertacion bias. Every time the Frei campaign raises questions about conflict of interest questions surrounding Pinera's very large stock portfolio, the effort is painted as a "dirty war" by the largely right-leaning press, which tends to ignore the right's missteps.

¶11. (U) The Assistant Secretary cleared this cable.
SIMONS